

INCEPTION REPORT

Guyana Building Equity and Economic Participation (BEEP) Project

Contract Number:	504-0107-C-00-6201-00
Name of Contractor:	IGI International, Inc.
USAID Project Office:	USAID/Guyana
Date of Issuance:	16 February 1996

Prepared by:

Name: Dr. Coby Frimpong
Title: Chief-of-party
Phone: 592-2-66020/53838

Name: Mr. Patterson Thompson
Title: Deputy Chief-of-Party
Fax: 592-2-66021

MIAMI: 1389 Biscayne Boulevard, Suite 205 • North Miami Beach, Florida 33181 • 305-856-2713 Fax: 305-956-5660

WASHINGTON: 1133 15th Street, N.W., Suite 1200 • Washington, D.C. 20005 • 202-457-0363 Fax: 202-467-0839

Table of Contents

Executive Summary	I
1. Introduction	1
2. Review of Key Issues	2
A. Ministry of Finance	2
a) Absence of a Comprehensive Database for Policy Analysis	3
b) Low Capacity to Conduct Macroeconomic Analysis and Planning	4
c) Weaknesses in Management of Project Cycle	6
d) Inefficiencies in Public Resources Management	7
B. Ministry of Trade, Tourism and Industry	9
a) Slow Growth of Private Sector Investment	9
b) Marginal Contribution of Eco-tourism to Growth	11
c) An Undeveloped Micro Enterprise Sector	12
d) Inappropriate Policy Framework for Consumer Protection	13
3. Donor Assistance and Institutional Strengthening	14
A. Current Interventions	16
B. Overlaps and Gaps in Donor Assistance	16
C. Recommendations for Improved Donor Coordination	16
4. Utilization of BEEP Resources	18
A. Strategic Approach	18
a) Scenario 1	18
b) Scenario 2	18
c) Scenario 3	19
B. Work Plans	20
a) MoF	21

List of Abbreviations Used

AGD	Accountant-General Department
BEEP	Building Equity and Economic Participation BEEP
BoG	Bank of Guyana
CAD	Consumer Affairs Division
CAGI	Consultative Association of Guyanese Industry
CED	Customs and Excise Department
CIDA	Canadian International Development Agency
CTB	Central Tender Board
DMD	Debt Management Division
DRMS	Debt Reporting Management System
EMPSD	Enterprise Monitoring and Private Sector Development Division
EU	European Union
GEPC	Guyana Export Promotion Council
GNBS	Guyana National Bureau of Standards
GO-INVEST	Guyana Office for Investment
GVC	Guyana Volunteer Consultancy
IDA	International Development Agency
IDB	Inter-American Development Bank
IRD	Inland Revenue Department
MD	Macroeconomics Division
MIS	Management Information System
MoF	Ministry of Finance
MTTI	Ministry of Trade, Tourism, and Industry
NTB	National Tender Board
OAS	Organization of American States
OB	Office of the Budget
ODA	Overseas Development Administration
PAP	Public Administration Project
PCD	Project Cycle Division
PSC	Private Sector Commission
RTB	Regional Tender Board
SB	Statistics Bureau
SCPSMR	Steering Committee on Public Sector Management Reform
SPS	State Planning Secretariat
UNDP	United Nations Development Program
USAID	United States Agency for International Development

MIAMI: 1389 Biscayne Boulevard, Suite 205 • North Miami Beach, Florida 33181 • 305-856-2713 Fax: 305-956-5660

WASHINGTON: 1133 15th Street, N.W., Suite 1200 • Washington, D.C. 20005 • 202-457-0363 Fax: 202-467-0839

EXECUTIVE SUMMARY

Guyana's economy has expanded markedly in recent years. Yet its public sector including the Ministry of Finance (MoF) and Ministry of Trade, Tourism and Industry (MTTI) remains weak. This is in large part attributable to severe staffing constraints at the technical level, absence of continuous analyses to serve as input for policy formulation, and weak or non-existing critical institutions to sustain analytical capacity. As a result, the ministries and their agencies face severe difficulties in formulating policies and programmes for economic renewal and developing the critical incentive and regulatory framework necessary for eliciting full private sector participation in economic growth.

In recognition of these constraints, the Government embarked on the Public Administration Reform Project in 1993 to reform the public service salary and employment structure; strengthen public sector management, in particular financial management, the regional administration system, personnel and general administration; and undertake a recruitment program of Guyanese abroad to fill some of the vacant technical positions within the public service. Although progress has been made, several problems remain, especially at the two key ministries that are responsible for economic management, i.e., MoF and MTTI.

In the Ministry of Finance, the key issues that need to be addressed are the absence of a comprehensive database for policy analysis; low capacity to conduct macroeconomic analysis and planning; weaknesses in management of the project cycle; and inefficiencies in public resource management. At the Ministry of Trade, Tourism and Industry, the slow growth of private sector investment in the productive sectors; marginal contribution of eco-tourism to growth, an undeveloped micro enterprise sector; an inappropriate policy framework for consumer protection restrict the capacity of the ministry to play a major role in supporting economic growth. Overall, these constraints limit the ability of policy makers to be proactive.

In order to ameliorate some of these constraints, the United States Agency for International Development and other donors such as the Inter-American Development Bank, Overseas Development Agency, the International Development Agency, the UNDP and the Canadian International Development Agency are providing technical assistance to MoF and MTTI to build analytical capacity and strengthen divisions and agencies; develop and implement strategic management plans; facilitate communications between the private sector, NGOs and the Government; and assist in improving the working environment at these two key ministries.

Even so, there are a number of overlaps and gaps in the current donor strategy to strengthen the ministries. This is in part the result of the absence of a clear-cut policy on the ministries requirements for technical assistance and institutional support; inadequate consultation among donors on the

formulation of technical assistance and institutional support; and the lack of strategic and global focus on donor assistance. Assistance in the past, in most cases, has been limited to specific departments or agencies without consideration of linkages with others.

In order to effectively utilize donor resources and overcome some of the constraints in the ministries, the Government faces three challenges: first, it must rationalize donor support by identifying the priority needs of the ministries and their interrelationships so that donor support could be targeted to those needs; second, the steering committee on public sector management reform (SCPSMR) should be strengthened to plan and program donor assistance; and third the SCPSMR working with ad hoc groups and task forces should coordinate the implementation of an overall donor assisted institutional strengthening program.

In view of the constraints and challenges discussed above, the purpose of this report is to program BEEP resources in a manner that is responsive to the priority needs of MoF and MTTI in managing the economy. The conceptual framework that guided this effort evolves from the definition of the ministries basic roles, responsibilities and key tasks; identification of key issues in each ministry (strengths, weaknesses, opportunities, constraints); and recommended actions to assist each Ministry to achieve its mission. This is summarized in charts 1-A and 1-B.

Policy makers need improved access to reliable and timely inputs in order to make effective policy decisions and reform the legal and regulatory framework in which economic policies operate. Immediate attention must be given to this and other pressing needs. On the other hand, capacity building within ministries is equally important, but would require less focus on immediate needs and greater focus on staff and institutional development. This apparent competition between short and long term needs is a challenge facing the BEEP project which directly affects how its resources are programmed.

In order to address these issues and seek a balance between immediate needs and institutional building, three scenarios for the use of BEEP resources are proposed. Scenario 1 spreads out resources to provide support for almost all activities listed in the summary of key issues for each ministry. Scenario 2 focusses resources on “priority” activities, which would be determined in collaboration with the ministries. Scenario 3, like the first scenario addresses most of the tasks, but structures short term technical assistance in a manner that maximizes long term institutional capacity building.

I. Introduction

1.1 The macroeconomic policy framework has improved markedly since 1992. GDP growth has averaged more than 6 percent per annum, inflation has fallen precipitously and is now in single digits, the exchange rate remains stable and international reserves are in excess of six months import cover. In addition, major reforms have also been introduced to strengthen the legal and regulatory framework of the financial sector. As a result of these ongoing changes, the management of the economy is becoming increasingly complex. However, the public sector remains weak. Wages are low, many technical positions remain vacant in the civil service, there is lack of adequate levels of equipment and support, and the working environment is poor.

1.2 These constraints are affecting the capacity of the public sector to efficiently deliver its goods and services especially in the context of an expanding economy. In particular, in the Ministry of Finance (MoF) and Ministry of Trade, Tourism and Industry (MTTI) where the responsibility of economic management resides, these difficulties impede progress to (i) formulate policies and programmes for economic renewal; (ii) develop the critical incentive and regulatory framework necessary for eliciting full private sector participation in economic growth; and (iii) manage the overall process of economic change.

1.3 In an effort to ameliorate some of these constraints and also complement ongoing assistance by other donors, the United States Agency for International Development (USAID) provided grant assistance to the Government through the Building Equity and Economic Participation (BEEP) project in 1993. Specifically, the project to be implemented at MoF and MTTI seeks to (i) provide long and short term technical assistance in capacity building and institutional strengthening; (ii) develop and implement strategic management plans for these ministries; (iii) facilitate communications between the private sector and the Government; and (iv) assist in improving the working environment of these ministries.

1.4 The purpose of this inception report is to provide guidelines and a work plan for implementation of the BEEP project. The report is organized as follows: Chapter II reviews the current situation at the MoF and MTTI. It identifies the key issues that impede policy formulation and private sector development and provides recommendations for improving them. In Chapter III, we review donor assistance in institutional strengthening at the ministries and their agencies, identify the overlaps and gaps, and make recommendations for improved donor coordination. Chapter IV provides recommendations for a strategic approach and efficient allocation of BEEP resources to respond to the priority needs of the ministries. A preliminary work plan to guide the implementation and coordination of the BEEP project is also proposed in this Chapter.

2. Review of Key Issues at MoF and MTI

A. The Ministry of Finance

2.1 The Ministry of Finance consists of the Office of the Budget, the Secretary of Treasury Secretariat (STS), and State Planning Secretariat. The Office of the Budget (OB) has three divisions: namely the Budget Preparation and Management, Debt Management and Fiscal and Monetary Divisions. The STS is responsible for the Central Tender Board (CTB), and the overall administration of the Ministry excluding the State Planning Secretariat (SPS). The SPS has responsibilities for project cycle management, macroeconomic policy analysis, and enterprise monitoring. In addition, the Ministry has four public agencies: the Statistics Bureau, Inland Revenue Department, Customs and Excise Department, and the Accountant-General Department. The Bank of Guyana is independent but reports to the Minister of Finance on the formulation of monetary targets.

2.2 Over the last few years, the Government has introduced several reforms to rationalize and improve the productivity of the Ministry and its agencies. The State Planning Secretariat was integrated with the Ministry of Finance in 1993 to rationalize and integrate recurrent and capital expenditures and provide an enhanced framework for policy analysis and implementation of the public sector investment program. Reforms have also been introduced to improve revenue collection and strengthen the Inland Revenue Department and Customs and Excise Department, while the capacity of the Accountant-General Department to monitor public sector expenditure has improved markedly. At the Bank of Guyana, reforms have been introduced to strengthen bank supervision, research, and compilation of monetary accounts, while the Statistics Bureau has benefited from institutional strengthening in management information systems.

2.3 In spite of these changes, severe lapses still remain in the ability of the ministry and its agencies to effectively carry out its functions. These include (a) absence of a comprehensive database for policy analysis; (b) low capacity to conduct macroeconomic analysis and planning; (c) weaknesses in management of the project cycle; and (d) inefficiencies in public resource management. These constraints in the main limit the ability of policy makers, in particular the Minister of Finance, to be proactive in managing the economy.

2.4 (a) Absence of a Comprehensive Database for Policy Analysis: The key macroeconomic data necessary for policy analysis include national accounts, prices, monetary and fiscal accounts, and balance of payments and external debt. At present, there are (i) incomplete and outdated data series on national accounts and prices; (ii) poor coordination among the data generating agencies;

(iii) difficulties in data collection and incompatible data classification among government agencies; (iv) poor storage of hard copy data; (v) lapses in database management; (vi) lack of in-depth understanding of some data software; and (vii) lack of procedures for data dissemination.

2.5 The Statistics Bureau is traditionally responsible for data on national accounts and prices. In spite of recent institutional support, the Bureau still lacks personnel with in-depth experience in computer skills to manage databases. The absence of national income accounting and sampling design experts has created a vacuum in developing the capacity to improve data collection, conduct surveys, and revise and adjust the weights in the basket for the consumer price index and constant price data of the national accounts.

2.6 In addition, there is the absence of formats and schedules within the MoF and from the MoF to other agencies detailing data requirements. As a result, the data that are produced are either too disaggregated or not relevant for the types of analysis needed for various policy issues. This is further aggravated by the different software and formats among agencies and divisions in MoF, thus making it difficult to transfer data for policy analysis. Even where data and formats are standardized, procedures have not been put in place to ensure regular and routine supply. In most cases, hard copy data are not properly stored, organized, and disseminated, exposing them to the vagaries of the elements.

2.7 In order to improve the framework for data collection and lay the basis for developing and maintaining a comprehensive data base, it is recommended in the short-term that MoF:

- (i) conduct surveys to supplement price and production data;
- (ii) identify counterpart personnel in the ministries and agencies for the supply of relevant data;
- (iii) develop formats and schedules for data collection;
- (iv) conduct needs assessments and complete procurement of hardware and software;
- (v) configure hard copy data and computerize data storage;
- (vi) update and maintain macroeconomic data;
- (vii) provide training in the use of DRMS database; and

(viii) identify end-users of data and develop mechanisms for regular data transmission.

2.8 In the medium term to improve capacity building and institutional strengthening, MoF should:

(i) recruit short-term consultants over two years to provide capacity building and technical assistance in sample design and sampling techniques, national income accounting, and management information systems;

(ii) redesign spreadsheet in Accounts-General's Department to provide data compatible with OB requirements;

(iii) design and install management information systems for data management and analysis; and

(iv) train staff in DMD in debt modeling and analysis.

2.9 (b) Low Capacity to Conduct Macroeconomic Analysis and Planning In order to provide policy input to key policy makers, the Macroeconomics Division within SPS is expected to (i) provide regular economic analysis and review of the economy; (ii) examine economic trends and conduct sensitivity analysis of policy options; (iii) undertake the sector reviews critical for investment planning; (iv) undertake macroeconomic programming and projections; and (v) provide macroeconomic analysis of key issues as may be determined by the Minister. In order to perform these functions, MD also receives data from the DMD, SB, OB, BoG and PCD.

2.10 The Macroeconomics Division, however, faces severe constraints that make delivery of its output difficult. The key issue is the absence of a well-functioning unit to provide the framework for the budget, investment program, and economic analysis. There are no (i) models to undertake economic projections and sensitivity analysis of major policy issues; (ii) staff, equipment or databases to undertake analysis; (iii) sector reviews to inform the PCD of investment planning and programming; and (iv) monthly and quarterly analytical reviews to advise the policy makers on trends and emerging problems in the economy.

2.11 As a result, policy decisions are based on insufficient data and information. In order to reverse this, it is recommended that in the short-term, MoF:

(i) re-establish a Macroeconomic Division;

- (ii) set-up an economic model to undertake projections and sensitivity analysis;
- (iii) use more consultant resources to undertake studies, analyses and reports as may be directed by key policy makers;
- (iv) establish and maintain an inter-agency coordinating group to supplement the staff of MD; and
- (v) develop a mechanism and maintain a process for providing quarterly projections to policy makers.

2.12 To develop capacity within the MD to continue with these tasks, MOF should:

- (i) provide continuous training to staff in quantitative analyses of economic issues;
- (ii) identify and recruit a head for the MD;
- (iii) establish a resource center or technical library; and
- (iv) train staff to monitor, analyze and project economic developments as the basis for enhanced policy formulation.

2.13 Even so, the capacity of MD to perform its tasks would not be sufficiently enhanced unless some of the key issues that face departments and agencies supplying data are addressed, and improved coordination is pursued. In particular, some of the difficulties at DMD such as the lack of in-depth understanding of staff of the DRMS software and the lack of adequate training in debt modeling and analysis and macroeconomic policy analysis would have to be addressed. Further, the difficulty of data transfer from the revenue generating agencies, especially CED to OB will require serious attention, while the organizational structure of the ministry, in particular, the divergent wage, pension, and benefits scheme are addressed.

2.14 In order to address these issues it is recommended that:

- (i) training is provided to staff of DMD in the DRMS software, debt and macroeconomic modeling and analysis;
- (ii) MD takes the lead role in coordinating macroeconomic data from MOF divisions and agencies; and

- (iii) MoF organizes a staff retreat to address administration issues and work programs.

2.15 (c) Weaknesses in Management of Project Cycle: The Multilateral and Bilateral Division within SPS that monitors the implementation of existing conditionalities and reviews new loans and grants agreements has been strengthened. As a result, the Government has made progress in meeting policy and operational conditionalities of donor assistance thereby enhancing the framework for improved disbursement towards the implementation of the PSIP. Still, the management of the project cycle is constrained by (i) low capacity in the financial and physical monitoring of the public sector investment program; (ii) an expanding investment program; (iii) outdated procurement laws and regulations; and (iv) weak capacity to generate quarterly and semi-annual reviews of the investment program.

2.16 These difficulties are the result of weak database management, deficient project monitoring, and diffusion of investment programs with capitalized maintenance projects. Still, the major constraint in speeding up program implementation, both for capital and recurrent programs appears to be the non-performance of the tender board system.

2.17 The Tender Board regulations as amended in 1958 still continue to be in force. Since the passing of the Act, no new or revised regulations have been issued except for increases in the dollar value of goods and services which the various boards are authorized to award to suppliers. The evaluation process is fraught with procedural difficulties while marginal increases in procurement thresholds have resulted in a severe backlog of tenders at the Central Tender Board. The administrative constraints facing the Central Tender Board have affected the implementation of the public sector investment program and also the provision of materials and supplies to the public sector.

2.18 To improve project evaluation, monitoring and implementation, it is recommended that PCD:

- (i) establish a mechanism to develop monthly, quarterly and annual data on project implementation;
- (ii) develop parameters for independent project evaluation;
- (iii) review procurement processes and amend laws, regulations and organizational structures;
- (iv) develop mechanisms and procedures for improved coordination of Project Cycle and the Bilateral/Multilateral Division to monitor and plan investment programs; and

- (v) train staff in technical writing.

2.19 Institutional strengthening over the next few years in the PCD will involve:

- (i) providing regular training in macroeconomic analysis and project evaluation to the staff of the unit;
- (ii) establishing permanent offices for the CTB, RTB and ministerial tender boards; and
- (iii) integrating the bilateral/multilateral division into PCD

2.20 (d) Inefficiencies in Public Resource Management A key task of the Ministry is to maximize revenue collection while at the same time improving efficiencies in the allocation of resources. Although significant progress has been achieved in the areas of tax administration and collection especially at the IRD and CED, several problems still remain. These include tax evasion, ineffectual compliance, absence of tax identification number, and a weak legal and regulatory framework to impose severe sanctions on violators. As a result, severe leakages persist in revenue collection.

2.21 Resource allocation also suffers from similar problems. Budgeting still follows the fashion of line items and little or no analysis is done in the allocation of resources; the functions of the semi-autonomous agencies in the public sector are seldom reviewed to determine if their roles still fit into a changing and developing economy; and gaps and weaknesses are evident in the operations and management of the public enterprises.

2.22 The Ministry with funding from IDA is:

- (i) designing and implementing a tax payer identification number;
- (ii) improving procedures to identify new tax payers;
- (iii) establishing clear guidelines to review legal provisions for tax arrears;
- (iv) reviewing laws to strengthen tax collection;
- (v) developing a comprehensive management information system for tax collection and

administration; and

- (vi) establishing a Revenue Board and strengthening the institutional capacity of IRD and CRD.

2.23 Under the CIDA funded project, program budgeting for recurrent and capital expenditures will be undertaken this year and more support is expected to be provided to improve the legal and regulatory framework of the operations of public sector finances.

2.24 Nonetheless, MoF should also:

- (i) review the performance of the public enterprises in the context of the Government's privatization program;
- (ii) develop mechanisms and procedures to improve the coordination and flow of information between EMPSD and the public enterprises;
- (iii) review the operational and management options for semi-autonomous public agencies; and
- (iv) strengthen the analytical capabilities of EMPSD in financial analysis, capital budgeting and policy analysis.

B. The Ministry of Trade, Tourism and Industry

2.25 The Ministry of Trade, Tourism and Industry comprises of Foreign Trade, Tourism, Industrial Development, and Consumer Affairs Divisions. In addition, three semi-autonomous agencies - the Guyana Office of Investment (GO-INVEST), Guyana National Bureau of Standards (GNBS), and the Guyana Export Promotion Council- fall under the Ministry's purview.

2.26 Over the last few years, MTTI has (i) assisted in expanding the range and volume of non-traditional exports; (ii) established GO-INVEST to develop the framework for attracting increased levels of private sector investment; (iii) sought to raise consumer confidence by improving the technical standards and broadening the outreach of GNBS; and (iv) supported private sector initiatives to expand the tourism sector.

2.27 Yet, the sources of Guyana's growth continue to come from the traditional sectors of sugar, rice, mining and forestry. The improvement in the macroeconomic framework has not resulted in a more diversified economy. Several reasons account for this including the (a) slow growth of private sector investment in the productive sector; (b) marginal contribution of eco-tourism to growth; (c) an undeveloped micro enterprise sector; and (d) inappropriate policy framework for consumer protection. As a result, MTTI is limited in playing the critical role expected of it in assisting with the expansion and diversification of the economy.

2.28 (a) Slow Growth of Private Sector Investment In spite of recent positive developments in the economy, the investment climate still remains uncertain. This, in part, is attributable to gaps in the existing policy, legal, regulatory and institutional framework. The country does not have an investment code; land development policies are ambivalent; and there is no clear process or mechanism to facilitate private sector investment. Further, structural, operational and coordination problems relevant to standards and quality control still exist and there is irregular updating of trading and investment materials. In addition, the existing infrastructure is poor. Although, the Government has made strenuous efforts in rebuilding basic infrastructure, the power system is still deficient, water supplies are infrequent, and the road network, especially in the Greater Georgetown area, is in a poor state.

2.29 These problems are compounded by a pattern of misunderstanding and distrust between public and private sectors. In particular, there is poor communication and a lack of clear definition of roles and relationships among the key public and private sector entities. The absence of a clear process and mechanism for conflict resolution further deepens this mistrust. These severe constraints at MTTI are partly attributable to the lack of a clear vision, policy and strategy for trade and industrial

growth. This may be due to the lack of clear authority, mechanisms and procedures to support and coordinate implementation of a trade and industrial policy. In addition, private sector and NGO institutions are poorly organized and do not contribute to the policy dialogue in MTTI and other public sector agencies.

2.30 In order to address these issues, it is recommended that MTTI in the short-term:

- (i) in collaboration with the Private Sector Commission, undertake a comparative analysis of tax regimes in the CARIFORUM region, and develop an investment code and land development policy for the country;
- (ii) in consultation with the private sector undertake a needs assessment of priority infrastructure needs;
- (iii) develop report and recommendations for mechanisms and procedures to facilitate ongoing private-public sector dialogue;
- (iv) design and facilitate workshops to develop consensus on the “rules of the game” for a constructive/productive private-public sector dialogue;
- (v) organize workshops to review and refine MTTI mission and develop a work plan;
- (vi) develop a trade database and a “Cynthia” model for trade policy analysis and undertake studies to support trade and industrial policy;
- (vii) clarify responsibilities for overall conduct of trade policy and strengthen coordination with MoF.
- (viii) review and develop recommendations to improve standards and quality control;
- (ix) refine quality and content of information packages, and establish a system for regularly updating such packages; and
- (x) strengthen the capacity of selective private sector organizations/NGOs to participate in interaction with the public sector,

2.31 To improve capacity and institutional strengthening, MTTI should:

- (i) establish a private sector investment unit and develop its capacity to inform MoF of infrastructure needs relevant to private investment and the economic growth program;
- (ii) enhance capacity of GO INVEST to facilitate private sector investment;
- (iii) establish formal mechanism for a permanent public-private “joint commission”;
- (iv) establish a trade policy unit and provide relevant training;
- (v) strengthen capacity of GEPC to develop an export database, monitor trends in the international market for non-traditional exports, conduct domestic and international trade fairs, and develop profiles on specific sectors and export market opportunities; and
- (vi) rationalize the structure and reporting relationships between the Bureau of Standards and other government entities.

2.32 (b) Marginal Contribution of Eco-tourism to Growth Guyana, compared to other Caribbean countries, has great potential in eco-tourism. This rests on a large hinterland with an abundance of flora and fauna; presence of ten Amerindian nations each with unique cultural traits; a number of natural attractions such as scenic waterfalls and historic sites and other widely varied activities. Nonetheless, the development of eco-tourism will require careful assessment of the multi-faceted issues relating to the involvement of the Amerindian communities, including the nature and extent of their participation in eco-tourism development projects. At present, MTTI has not adequately focussed its attention on this sector. This is on account of the lack of (i) basic data as well as a capacity for data collection and analysis; (ii) background research to formulate an eco-tourism policy; (iii) research and mechanism to ensure full participation of Amerindians; and (iv) a mechanism and process for public-private sector cooperation in tourism promotion.

2.33 In order to lay the basis for the development of this sector, it is recommended that in the short-term, MTTI:

- (i) develop an eco-tourism database and recommend ways for its maintenance;
- (ii) prepare background report on issues and options, and assist in developing a participatory process for policy formulation;
- (iii) assign a special place for eco-tourism in the investment code; and

- (iv) develop recommendations for tourism promotion in a private-public sector framework.

2.34 To sustain these efforts, it is recommended that MTTI:

- (i) strengthen the capacity of the tourism division to maintain and update its database and prepare reports; and
- (ii) establish a Tourism Board with a capacity to monitor policy implementation and impacts and recommend any changes needed;

2.35 An Undeveloped Micro Enterprise Sector It appears that both the traditional public service as well as larger, conventional private sector companies will in future undergo a process of “downsizing”; the former because of budgetary constraints, the latter because of increasing local, regional and international competitive pressures. There will be a need to find alternative avenues of employment, mainly in self-employment and in small entrepreneurial groups. Like the eco-tourism sector, however, the micro enterprise sector, despite its potential to reduce poverty, is not developed. There is the lack of capacity to collect and analyze data. The legal framework for small business operation is non-existent, and information on credit needs is rudimentary. As a result, micro enterprises face difficulties in improving their technologies and management and also in expanding their access to markets.

2.36 In the short-term, MTTI should:

- (i) prepare a baseline survey and maintain a database on Micro enterprises;
- (ii) draft a Small Business Development Act;
- (iii) facilitate access to credit; and
- (iv) establish special development projects for the micro enterprise sector.

2.37 In order to strengthen the capacity of the ministry to sustain the above recommendations, MTTI should:

- (i) establish a micro enterprise unit and train its staff;
- (ii) strengthen the micro enterprise unit to monitor implementation of the Small Business Act and recommended changes as needed; and

- (iii) explore opportunities for attracting longer-term donor support in micro enterprise credit, technology transfer, marketing and training.

2.38 Inappropriate Policy Framework for Consumer Protection: Adequate consumer protection is an important element of modern trade and industrial growth development strategy. Nevertheless, the laws governing consumer protection are partially outdated with gaps and inconsistencies among them. The lack of capacity to conduct relevant research to support public education as well as a low capacity to design and implement effective public education campaigns put the general public at risk to new or imported products coming into the market.

2.39 It is therefore necessary that MTTI review and rationalize the existing legal and regulatory framework and renew its research and education efforts relating to consumer protection. In the long-term, the ministry should explore the development of an appropriate mechanism and process for a continuous public-private sector dialogue on consumer protection and strengthen the capacity of the Consumer Affair Unit/GNBS to conduct research and public education.

III. Donor Assistance and Institutional Strengthening

3.1 At present, several donors are involved in providing institutional strengthening and capacity building in tax administration, expenditure management, debt management, budgeting support, macroeconomic analysis, management of the public sector investment program and trade and investment policies and privatization at MoF and MTTI and their agencies. This section provides an overview of (a) current donor interventions; (b) gaps and overlaps; (c) recommendations for improved donor coordination.

3.2 (a) Current Interventions The Inter-American Development Bank under the Macro-Economic Management Project executed by the UNDP is providing assistance in the areas of financial management reforms at the Inland Revenue Department, Customs and Excise Department, Office of the Auditor General, Accountant General Department, Office of the Budget, and Data Processing Unit. This assistance includes installing new computers in both IRD and CRD, and improved accounting systems, manuals, and training at the A-G's Department. The current program ends in June 1996 and IDB is proposing another technical program to:

- (i) develop the framework and organizational models for effective fiscal policy;
- (ii) provide a comprehensive debt management strategy;
- (iii) strengthen the legal basis for tax administration;
- (iv) support program budgeting and pilot projects in one or two key ministries with a companion review of the legal framework for the budgetary planning and control process; and
- (v) provide the basis for an evaluation of potential mechanisms for further wage decompression.

3.3 The International Development Agency (IDA) is implementing institutional reforms under the reformulated Public Administration Project (PAP) which began in 1993. IDA assistance is now provided for establishing and strengthening the Revenue Board, improving tax administration in CRD and IRD, and developing an integrated management information system to improve tax administration. In addition, assistance will be provided to review and improve the legal/regulatory framework of tax collection. IDA under the Institutional Development Fund is providing support in debt management.

3.5 Another key component of the PAP is integrated financial management. This component, which has now been revised to cover program budgeting, budget execution, cash management and debt management, is supported by CIDA under the GEM project.

3.6 The British ODA provides valuable support in public administration reforms to the Government. At present, ODA provides three levels of assistance in civil service reforms, privatization, and ODI fellowships to assist the ministry to carry out its work program. The public service reform component that seeks to address the key issues of pay policy and strategy, laws regulating personnel management, and staff development is being implemented by the Civil Service Commission in the Office of the President. ODA is also proposing to provide a macroeconomic advisor to SPS to assist in economic analysis.

3.7 The Carter Center, through assistance from USAID, is coordinating a broad-based effort to develop a National Development Strategy that will set out a framework for the Government's development priorities over the next several years. A draft document is expected to be ready for public discussion in March 1996.

3.8 The European Union is also providing some institutional support to the Office of the Auditor General to (i) continue with the technical support provided under the IDB/UNDP macroeconomic management project; (ii) computerize AGD; and (iii) provide training to staff.

3.9 In the Ministry of Trade, Tourism and Industry, proposed and ongoing donor assistance are concentrated in trade and investment policy, eco-tourism, micro enterprise and the private sector commission. The UNDP has proposed to provide some technical assistance in developing an investment code and trade policy at MTTI and GO-INVEST, and the Guyana Export Promotion Council (GEPC) is also expected to benefit from some institutional support from the project.

3.10 The Private Sector Commission is at present receiving some support from the European Union in re-organizing the PSC physical plant and developing a work program to achieve its goals. CIDA is proposing as part of their future programming to also provide training to the PSC, while the International Labor Office (ILO) is assisting the Consultative Association of Guyanese Industry (CAGI) to organize workshops on productivity measures. In tourism, the Organization of American States is currently providing assistance to develop a comprehensive plan for eco-tourism and a national park at the Kaitetur Falls area while the World Bank's ongoing workshop to develop a policy for protected areas in the interior is expected to sustain eco-tourism and other productive activities in the long-term.

3.11 In the area of consumer affairs, UNDP is providing training in the International Standards Organization (ISO) 9000 program to the Guyana National Bureau of Standards (GNBS). This program is suppose to assist the local industries in meeting basic international standards for exports by the year 2000. In addition, the Government of India is providing practical training to staff of GNBS to upgrade their technical skills.

3.12 (b) Overlaps and Gaps in Donor Assistance Clearly, there are a number of overlaps and duplications of donor assistance at MoF and MTTI. Reasons include the (i) absence of a clear-cut policy on the ministries' requirements for technical assistance and institutional support; (ii) inadequate consultation among donors on the formulation of technical assistance and institutional support; and (iii) the lack of strategic and global focus on donor assistance.

3.13 In the context of ministries where most division outputs affect others, the present donor approach to institutional strengthening and capacity building has created gaps in key areas where immediate technical assistance is required, and strengthened specific areas without paying attention to other divisions and agencies whose outputs and inputs are intertwined. As a result, although progress has been made in the key areas of revenue collection and tax administration, overall support in institutional strengthening and capacity building have not transformed the capacity of the ministry to adequately address its long-term problems.

3.14 The linkages between fiscal, debt, enterprise, statistics bureau and macroeconomic divisions within MoF and the development of a trade policy division within MTTI are obvious. Capacity building in one and not the other in the long term is unproductive. In addition, attachment of experts to a counterpart staff member limits their exposure to other relevant mid-level technical staff. Perhaps, placing advisors in line positions and making them accountable for the professional development of their staff would be worthwhile.

3.15 (c) Recommendations for Improved Donor Coordination In order to minimize overlaps, duplications and gaps in institutional strengthening, a Steering Committee on Public Sector Management Reform (SCPSMR) was established under the leadership of the Minister of Finance in November 1995. The SCPSMR consists of key officials of Government and the donor community. In order to avoid duplication, donor agencies are developing a matrix of activities of their projects, sequencing and prospects for extensions. This is expected to better inform the Government and donors of ongoing and pipeline assistance in institutional strengthening. In addition, the Government is reviewing its public administration program, and recommendations will be developed to provide the framework for donor coordination.

3.16 Nevertheless, it is recommended that overall coordination of donor assistance be vested in the MoF. The present system where the IFIs report to MoF and bilateral agencies and UNDP deals with the Ministry of Foreign Affairs could create problems with donor coordination and give different signals to donors. More important is the rationalization of donor support to focus on core areas to assist the ministries to deliver specific outputs. A core area will consist of divisions and agencies whose work contribute to achieve these outputs. A process of comprehensive identification of priority needs and interrelationships of the divisions and agencies will have to be done on a continuous basis by the SCPSMR so as assist donors to target their resources more effectively.

3.17 This means that the SCPSMR will have to be strengthened to plan and assist donors in programming their resources. In order to ensure continuity of similar type support, for example, the steering committee should plan future support to coincide with closing dates of ongoing assistance. In particular, the appropriate sequence of activities and the balance between immediate/direct needs and capacity building will have to be clear. This exercise in the main will make the Government more proactive in their relationship with donors and will also serve to improve donor coordination.

4. Utilization of BEEP Resources

A. Strategic Approach

4.1 The MoF and MTTI and their supporting agencies face numerous constraints as they seek to manage the economy. The capacity for analytical work is weak, institutions need strengthening, staffing constraints at the technical level are severe, and demand is high for studies and analyses for policy formulation. In the short term, it appears that policy makers will continue to place greater emphasis on “getting the work done”. Therefore, the key challenge for the BEEP project is to establish a balance between (i) meeting immediate and short-term needs; and (ii) institutional strengthening and capacity building initiatives for these Ministries.

4.2 In order to effectively respond to the Ministries’ priority needs, three scenarios on the use of BEEP resources are defined. Scenario 1 spreads out resources to provide support for almost all of the activities listed in chart 1 (A and B). Scenario 2 focusses resources on “priority” activities which would be determined in collaboration with the Ministries. Scenario 3, like the first scenario, addresses most tasks, but structures short term technical assistance in a manner that maximizes long-term institutional capacity building.

4.3 (a) Scenario 1: Using BEEP Resources to meet Existing Needs at MoF and MTTI: This approach uses BEEP long-term technical advisors (L.Ts) to manage and coordinate virtually all project activities, including the preparation of terms of reference (TORs) for short-term consultants. In addition, the L.Ts provide some substantive technical input to most activities but do not provide concentrated in-depth support in any one activity.

4.4 The downside of this approach is the delay in institutional strengthening and capacity building in some of the areas that have been identified as critical to the Ministries. Areas which would suffer considerable delay include development of the capacity to (i) conduct macroeconomic analysis; (ii) improve trade, investment and micro enterprise environment; and (iii) sustain these reforms. Thus, while this approach helps the ministries to address most of their short-term needs, it only makes gradual and limited progress in long term institutional building during the 24 months remaining in the life of project. Such an approach could require a continuation of assistance of a type similar to BEEP for an additional 2-4 years in order to achieve significant results in institutional strengthening and capacity building.

4.5 (b) Scenario 2: Focussing Resources on “Priority” Activities: BEEP resources are focussed on priority areas to be specified by MoF and MTI. It provides no BEEP support for some immediate requirements. Nonetheless, the L.Ts will continue to be involved in the overall management and coordination of all BEEP activities, but would have more substantial responsibility for a limited/selected set of “priority” activities. The L.Ts would act as “team leaders” on virtually all BEEP “priority” activities, providing more in-depth technical/substantive support and closely managing the work of STTA consultants.

4.6 Like Scenario 1, this scenario involves tradeoffs. It provides less support to the Ministries for short-term needs and could result in the delay or postponement of some activities. However, it allows for significant institutional and capacity building of targeted units of the ministries during the 24 month L.O.P. Through enhanced coordination, this approach could enable expansion or acceleration of other donor assistance to provide short-term support to the immediate needs identified by the Ministries.

4.7 (c) Scenario 3: Maximizing the Impact and Continuity of Short-Term Technical Assistance This assumes that a large portion of the L.Ts’ time is used to directly assist key policy makers to meet day-to-day needs of the Ministries. In this context, it is vital to utilize short-term technical assistance to achieve the long term goals of capacity building. To achieve this objective, key tasks are packaged or planned in clusters or “mini-projects”. At least one short-term consultant is brought in for an extended period to implement each “mini project” under the direction of a Long-term Advisor.

4.8 To the extent possible, STTA becomes an integral part of capacity building by providing assistance and training in 3-to-4 month blocks to selected divisions and agencies of MoF and MTI. The process works as follows: For a targeted division or agency, a short-term consultant will be at post working with staff to meet division/agency’s planned output, for approximately three months. At the end of this period, the consultant assigns specific tasks to staff, departs for an interim period, and then returns for another work period of approximately three months. This pattern will continue until the end of the project. Like Scenario 2, this approach requires participation by other donor agencies to meet some of the short term needs of the Ministries. However, the L.Ts are able to address more short-term issues in this approach than in Scenario 2.

B. The Work Programs

4.9 Although scenarios 2 and 3 provide the best basis for institutional strengthening and capacity building within the BEEP project time frame, the absence of identified donor resources to meet some of the short term and immediate needs of the ministries, poor working conditions, and high vacancy

rates at the technical level will make their implementation difficult. Under these conditions, it is recommended that BEEP resources be utilized to implement Scenario 1. This will allow the ministries to meet the short-term and immediate needs and also provide the groundwork for developing long-term institutional and capacity building. A work program of BEEP resources under Scenario 1 has been prepared as shown in charts 2-A and 2-B (attached).

4.10 Training and planning retreats for each of the two Ministries are expected to take place by the end of February 1996. As part of these retreats, work programs will be designed for the divisions that fall directly under the Ministries. In addition, the issue of external training and improvement of the working environment with BEEP resources will be addressed at the retreats. The L.Ts will review this report with their respective Ministries and will participate with the Ministers and their staffs in developing their work plans, making any necessary adjustments in BEEP's work plan. In addition, the L.Ts will continue to work with the Ministers and their staffs on an ongoing basis throughout the LOP to continuously refine/adjust the work plans, ensuring that the BEEP project is always responsive to the evolving needs and priorities of the Ministries.

CHART 1-A

SUMMARY OF KEY ISSUES AND EXISTING/PROPOSED SUPPORT TO THE MINISTRY OF FINANCE

Basic Roles and Responsibilities	Key Tasks	Organizational and Operational Issues	Immediate/Direct Assistance/Support	Institution Strengthening and Capacity Building
----------------------------------	-----------	---------------------------------------	-------------------------------------	---

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

1. Develop and Maintain a Comprehensive macroeconomic Database	a. Collect data on national accounts, prices, monetary, fiscal, balance of payments, and trade	i. Incomplete and outdated data series, undermining the calculation of indices and national accounts	Conduct surveys for generating price and trade data	Recruit short-term TA to provide capacity building in sample design and sampling technique
		ii. Poor coordination among data-generating agencies	Identify counterpart personnel in ministries/agencies for the supply of relevant data	Recruit short-term TA to provide capacity building in national account, and recruit short-term TA at Statistics Bureau to train staff in MIS management
		iii. Difficulties in data collection and incompatible data classifications among government agencies	Develop data formats and schedules for data collection	Redesign spreadsheet in Accounts General Department to provide data compatible with OB
	b. Maintain macro-economic database	i. Poor storage of hard copy data	Conduct needs assessment and complete procurement of hardware and software	Design and install MIS for MoF for data management and analysis
			Configure hard copy data and computerize data storage	
		ii. Lapses in database maintenance	Update macroeconomic data to 1995	
		iii. Lack of in-depth understanding of DRMS software to generate debt data	Provide training in the use of the DRMS database	Train staff in Debt Division in debt modeling and analysis
	c. Distribute data on a timely basis to policy makers	i. Lack of procedures for the dissemination of macroeconomic data	Identify end-users of data, and develop mechanism for regular data transmission	

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

SUMMARY OF KEY ISSUES AND EXISTING/PROPOSED SUPPORT TO THE MINISTRY OF FINANCE

Basic Roles and Responsibilities	Key Tasks	Organizational and Operational Issues	Immediate/Direct Assistance/Support	Institution Strengthening and Capacity Building
----------------------------------	-----------	---------------------------------------	-------------------------------------	---

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

<p>2. Conduct Macroeconomic Analysis and Planning</p>	<p>a. Create and maintain a Macroeconomic model</p> <p>b. Complete special analysis and reports, including sensitivity analysis of policy options and sector reviews for investment planning</p> <p>c. Generate standard quarterly and annual reports on national economic performance. Prepare monthly reports for the Cabinet.</p> <p>d. Prepare Budget (definitive planning document of the government)</p> <p>e. Provide a macroeconomic framework for the public investment program</p>	<p>i. Absence of a macroeconomic model for projections and sensitivity analysis</p> <p>ii. Lack of macroeconomic analysis to inform policy makers of prospects for the economy</p> <p>i. Lack of staff, equipment and databases</p> <p>ii. Lack of sector reviews to inform the Project Cycle Division on investments</p> <p>i. Absence of analytical monthly and quarterly reports to inform policy makers of changed trends in the economy</p> <p>i. Absence of a well functioning Macroeconomic Division to provide the macro-framework for the budget</p> <p>i. Absence of a well functioning Macroeconomic Division to provide the macro-framework for the public investment program</p>	<p>Set up RMM-X Macroeconomic model and train staff in its use</p> <p>Use consultants to prepare special reports and analysis as directed by the Minister</p> <p>Provide annual sector reviews to the Project Cycle Division</p> <p>Establish/maintain an inter-organizational, inter-agency coordinating group to supplement the staff of the Macroeconomic Division in the preparation of reports</p> <p>Develop a mechanism and maintain process for providing quarterly projections to policy makers</p> <p>Organize a workshop/retreat to address administration issues and develop a work plan</p>	<p>)</p> <p>Develop a fully-functioning Macroeconomic Division, and train staff to undertake quantitative analysis of economic issues</p> <p>Identify and recruit counterpart for the Macroeconomic Division and train to replace long-term TA</p> <p>Establish resource center or technical library</p> <p>Train select MoF staff in macroeconomic modeling, as well as national income, balance of payment, fiscal and monetary accounting</p> <p>Train staff on how to monitor, analyze and project economic developments as the basis for enhanced policy formulation</p> <p>)</p> <p>)</p>
---	--	---	--	---

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

SUMMARY OF KEY ISSUES AND EXISTING/PROPOSED SUPPORT TO THE MINISTRY OF FINANCE

Basic Roles and Responsibilities	Key Tasks	Organizational and Operational Issues	Immediate/Direct Assistance/Support	Institution Strengthening and Capacity Building
----------------------------------	-----------	---------------------------------------	-------------------------------------	---

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

3. Improve the Management of the Project Cycle of the Public Investment Program	a. Financial and Physical Management of Project Implementation	<p>i. Weak database management</p> <p>ii. Deficient project monitoring</p> <p>iii. Diffusion of investment program with capitalized maintenance projects</p>	<p>Establish a mechanism to develop monthly, quarterly and annual data on project implementation</p> <p>Develop parameters for independent project evaluation.</p> <p>Rationalize and streamline the PSIP</p>	Provide regular training in macroeconomic analysis and project evaluation to staff of Project Cycle Unit
	b. Procurement	<p>i. Lack of space, equipment and administrative support for the CTB</p> <p>ii. Inadequate process and procedures for procurement</p> <p>iii. Low procurement threshold for the Tender Board Entities</p> <p>iv. Severe backlog of tenders slowing implementation of the PSIP</p> <p>v. Antiquated laws and regulations dating from 1958</p>	Review procurement process and amend laws, regulations and organizational structures	Establish a permanent office for the CTB
	c. Observe Conditionalities	<p>i. Inappropriate placement of the bilateral/multilateral division</p>	Develop mechanism and procedures for improved coordination of Project Cycle Division and the Bilateral/Multilateral division to monitor and plan investment programs	Integrate bilateral/multilateral division into Project Cycle Division
	d. Generate quarterly, semi-annual and annual reports	<p>i. Incomplete or inadequate reports</p>	Train staff in technical report writing	

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

SUMMARY OF KEY ISSUES AND EXISTING/PROPOSED SUPPORT TO THE MINISTRY OF FINANCE

Basic Roles and Responsibilities	Key Tasks	Organizational and Operational Issues	Immediate/Direct Assistance/Support	Institution Strengthening and Capacity Building
4. Improve Public Resource Management	a. Maximizing revenue generation	i. Leakages in revenue collection	Design and implement a taxpayer identification number Identify new taxpayers Computerize return processing Establish clear guidelines and review legal provisions for tax arrears Review/amend laws to strengthen tax collection Develop comprehensive MIS for Revenue Board, IRD and CED	Establish Revenue Board Strengthen management of IRD and CED Strengthen the analytical capabilities of the Revenue Board
	b. Managing the Budget	i. Inefficient system of resource allocation	Undertake program budgeting for recurrent and capital expenditures	
	c. Rationalizing and Stream-lining Public Enterprises	i. Gaps and weaknesses in the operations/management of public enterprises	Review the performance of public enterprises Develop mechanisms and procedures to improve the coordination and flow of information between the EMPSD and public enterprises	Strengthen the analytical capabilities of EMPSD in financial analysis, capital budgeting and policy analysis)
	d. Rationalizing Semi-Autonomous Public Agencies	i. Inefficiency in the utilization of resources by semi-autonomous public agencies	Review operational /management options for semi-autonomous public agencies)

Note: Cross-cutting organizational issues to be addressed at a retreat.

IGI

INTERNATIONAL, INC

IGI

INTERNATIONAL, INC

CHART 1-B

SUMMARY OF KEY ISSUES AND EXISTING/PROPOSED SUPPORT TO THE MINISTRY OF TRADE, TOURISM AND INDUSTRY

Basic Roles and Responsibilities	Key Tasks	Organizational and Operational Issues	Immediate/Direct Assistance/Support	Institution Strengthening and Capacity Building
----------------------------------	-----------	---------------------------------------	-------------------------------------	---

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

1. Increase Private Investment in Productive Sectors	a. Establish a positive investment climate	Gaps in the existing policy, legal, regulatory and institutional framework regarding investments, including the absence of an investment code, a counter-productive tax regime, the lack of land development policies, no clear process and mechanism to facilitate investments	Use consultants to undertake the following: a comparative analysis of tax regimes in the CARIFORUM Region.; draft investment code; draft land development policy; recommendations for internal process and mechanism for investment facilitation.	Establish private sector investment unit and develop its capacity to support MTTI role and to inform MoF of infrastructure needs relevant to private investment and economic growth program
	b. Rationalize and facilitate the ongoing set of relationships with the private sector	Inadequate infrastructure Pattern of misunderstanding and distrust between public and private sectors Lack of clear definition of roles and relationships among the key public and private sector entities Poor communication between government and private sector Lack of clear process and mechanism for conflict resolution Need to develop mutual agreement with various private sector organizations and NGOs on agenda and procedures for guiding continuous dialog and collaborative relationships Need to strengthen the capacity of MTTI and various private sector organizations and NGOs to participate effectively in this	Use a consultant to develop report on priority infrastructure needs Develop report and recommendations for mechanisms and procedures to facilitate ongoing private-public sector dialog Design and facilitate workshops to develop consensus on the “rules of the game” for a constructive/productive private-public sector dialog Assist MTTI staff in developing mutual agreement with various private sector organizations and NGOs on agenda and procedures Organize workshops to review and refine MTTI Mission and develop a work plan Use consultant to develop recommendations for improvement of MTTI physical plant	Enhance capacity of GOINVEST to facilitate private sector investment Establish formal mechanism for a permanent public-private “Joint Commission” Establish trade policy unit and provide relevant training Strengthen the capacity of the Private Sector Investment Unit and Trade Policy Unit to maintain and enhance the collaborative relationships with their respective counterpart private sector

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

SUMMARY OF KEY ISSUES AND EXISTING/PROPOSED SUPPORT TO THE MINISTRY OF TRADE, TOURISM AND INDUSTRY

Basic Roles and Responsibilities	Key Tasks	Organizational and Operational Issues	Immediate/Direct Assistance/Support	Institution Strengthening and Capacity Building
----------------------------------	-----------	---------------------------------------	-------------------------------------	---

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

1. Increase Private Investment in Productive Sectors (continued)	c. Develop and implement a policy framework and consensus strategy for trade and industrial growth	<p>Lack of capacity to support development of a clear vision, policy and strategy for trade and industrial growth</p> <p>Need for more systematic collection and analysis of relevant data to provide and informed basis for policy formation and decision-making</p> <p>Lack of mechanisms and procedures for developing public/private consensus and commitment for a trade and industrial growth program</p> <p>Lack of clear authority, mechanisms and procedures to support and coordinate implementation of a trade and industrial growth program</p> <p>Structural, operational and coordination problems relevant to standards and quality control</p>	<p>Use a consultant to: develop a trade database and train staff in its use; develop a "CYNTHIA" model for trade policy analysis and train staff in its use; draft a series of studies to support trade and industry policy; and identify and provide necessary informatics (hardware and software)</p> <p>Recommend mechanisms and procedures for building public-private consensus on trade and industrial growth</p> <p>Clarify responsibilities for overall conduct of trade policy and strengthen coordination between MTI and MoF</p> <p>Use a consultant to review and develop recommendations to improve the use of standards and quality control</p>	Strengthen capacity of GEPC to maintain data base and monitor trends in the international market for non-traditional exports, to conduct domestic and international trade fairs, and to develop profiles on specific sector export market opportunities
	d. Develop information packages containing general country information and specific data on Guyana's investment climate	Irregular updating of materials	Refine quality and content of information packages, and establish a system for updating regularly information packages	Rationalize the structure and reporting relationships between the Bureau of Standards and other government entities

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

SUMMARY OF KEY ISSUES AND EXISTING/PROPOSED SUPPORT TO THE MINISTRY OF TRADE, TOURISM AND INDUSTRY

Basic Roles and Responsibilities	Key Tasks	Organizational and Operational Issues	Immediate/Direct Assistance/Support	Institution Strengthening and Capacity Building
2. Develop Eco-Tourism to Maximize Contribution to GDP	a. Inventory eco-tourism “assets” (i.e, properties, resorts, attractions and services)	Lack of basic (raw) data as well as a capacity for data collection and analysis	Use a consultant to develop database and recommend process for its maintenance	Strengthen the capacity of Tourism Division to maintain and update database and prepare reports
	b. Develop policies for the protection of the indigenous peoples and the environment	Need for background research and identification/linkage of interested parties to establish a framework for policy formulation	Use consultant to prepare background report on issues and options and to assist the MTTI in linking interested parties--including relevant NGOs--in a participatory process for policy formulation	Establish a Tourism Board with a capacity to monitor policy implementation and impacts and recommend any changes needed
	c. Formulate policies and program for the full participation of Amerindians in eco-tourism	Need for background research and mechanism to ensure full participation of Amerindians and NGOs	Use same consultant as above to assist MTTI in developing and implementing an appropriate program	Same as above
	d. Develop incentive policies for investments in eco-tourism in the interior	Need to assure adequate treatment of eco-tourism in the investment code	Use a specialized consultant as part of team that will assist in drafting the investment code	Same as above
	e. Develop and support implementation of eco-tourism promotion program	Need to establish mechanism and process for public-private sector cooperation in tourism promotion	Use consultant to prepare recommendations for tourism promotion in a public-private framework, including relevant NGOs	

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

SUMMARY OF KEY ISSUES AND EXISTING/PROPOSED SUPPORT TO THE MINISTRY OF TRADE, TOURISM AND INDUSTRY

Basic Roles and Responsibilities	Key Tasks	Organizational and Operational Issues	Immediate/Direct Assistance/Support	Institution Strengthening and Capacity Building
3. Develop Microenterprise Sector	a. Prepare baseline survey and maintain database on microenterprises	Lack of current data and capacity to collect and analyze data	Use consultant to design the specifications for continuous data collection and for the development and maintenance of a microenterprise database within the Statistics Bureau	Establish a new microenterprise unit and train its staff
	b. Draft a “Small Business Development Act”	Need specialized assistance to support MTI in the drafting of the Act	Use consultant to assist with the drafting of the Act	Strengthen microenterprise unit to monitor implementation of the Act and recommend changes as needed
	c. Improve access to credit	Lack of current information on the credit needs of microenterprises	Prepare a survey and assessment of current access to credit by microenterprises and relevant NGOs and develop recommendations to improve access	Explore opportunities for attracting long-term donor support in microenterprise credit
	d. Establish special development projects for the microenterprise sector	Difficulties among microenterprises to improve technology	Use consultant to assist GVC in implementing technology transfer project and explore opportunities to support other relevant NGOs	Explore opportunities for expanding long-term donor support in microenterprise technology transfer
		Difficulties among microenterprises to expand market access	Identify existing trading companies and establish linkages between them and existing microenterprise organizations	Explore opportunities for attracting long-term donor support in microenterprise marketing
		Need among microenterprises to improve management and business operations	Support proposed GVC and other NGO training programs	Explore opportunities for attracting long-term donor support in microenterprise training

IGI

INTERNATIONAL, INC

Inception Report: Building Equity and Economic Participation Project

4. Develop Policy Framework for Consumer Affairs	a. Review and rationalize the legal and regulatory framework	Relevant laws--owing to their incremental development--are partially outdated with gaps and inconsistencies among them	Prepare a comprehensive review and recommendations for an improved legal/regulatory framework for consumer protection , with input of GNBS, private organizations and NGOs	Explore development of appropriate mechanism and process for a continuous public-private sector dialog on consumer protection issues
	b. Research and public education concerning consumer protection	Lack of capacity for conducting necessary research to support public education, as well as a lack of capacity to design and implement effective public education campaigns	Assist MTTI staff with the development of a strategy and work plan for improved public education, with involvement of GNBS, private sector organizations and NGOs	Strengthen the capacity of the Consumer Affairs Unit to conduct research and public education

IGI

INTERNATIONAL, INC